

Case No. 2018-85557

Loadmaster Universal Rigs, Inc., Loadmaster Drilling Technologies, LLC, and Kennedy Fabricating, LLC	§	In the District Court of
Plaintiffs,	§	
v.	§	Harris County, Texas
Petroleos Mexicanos, Pemex Exploracion y Produccion, Pemex Perforacion y Servicios, and Pemex Procurement International, Inc.	§	
Defendants.	§	61 st Judicial District

Pemex Procurement's Agreed Motion to Stay

Defendant Pemex Procurement International, Inc. ("Pemex Procurement") respectfully requests that this Court stay this action pending the resolution of an already-underway arbitration in Mexico City initiated by the plaintiffs against two of the four defendants regarding the same dispute and operative facts. Plaintiffs agree to the stay sought by this motion.

Plaintiffs' claims stem from their dealings with defendants in connection with two contracts, each for the acquisition of a custom-made Modular Drilling Unit. In the arbitration, Plaintiffs claim that the Pemex entities wrongfully terminated the contracts.

The contracts between the parties require that they arbitrate "any controversy, claim, difference or dispute arising out of, relating to or connected with this Contract or the breach thereof." On March 8, 2018, Plaintiffs filed an arbitration demand against Pemex Exploracion y Produccion and Pemex Perforacion y Servicios in Mexico City. In response, these Pemex entities claimed they were not parties to the contracts or subject to the arbitration clauses therein.

On Nov. 30, 2018, Plaintiffs filed this suit asserting claims against defendants regarding the dispute and operative facts present in the arbitration. Allowing claims to proceed

simultaneously in this Court and in the Mexico City arbitration risks inconsistent results on overlapping questions of law and fact. Under the Federal Arbitration Act and Texas law, the presence of such risks requires a stay of this action pending the outcome of the Mexico City arbitration.

The Federal Arbitration Act (“FAA”) governs the arbitration provisions in the two contracts pertinent to this action. *See Allied-Bruce Terminix Companies, Inc. v. Dobson*, 513 U.S. 265, 277 (1995) (holding that the FAA “applies where there is a contract evidencing a transaction involving commerce”); 9 U.S.C. §§ 1, 2 (defining “commerce” as “commerce among the several States or with foreign nations”). Texas law interpreting the FAA mandates that this Court stay this action pending the issuance of a final award in the Mexico City arbitration. The Texas Supreme Court announced such a rule in *Merrill Lynch Trust Co. FSB*, 235 S.W.3d 185 (Tex. 2007).

Conclusion

For the reasons set forth above, Pemex Procurement respectfully requests that this Court stay this action pending completion of the Mexico City arbitration. Plaintiffs agree to the stay sought by this motion.

Date: March 25, 2019

Respectfully submitted,

SUSMAN GODFREY L.L.P.

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Certificate of Conference

Plaintiffs agree to the stay sought by this motion.

/s/ Randall W. Wilson
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Certificate of Service

This is to certify that on March 25, 2019 a true and correct copy of the above document was properly served in compliance with Rule 21 of the Texas Rule of Civil Procedure to the following counsel of record:

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